

## Information

13 October 2009

### EUROPEAN AIRLINES HIT OUT AT POLISH NAVIGATION CHARGES INCREASE Cost-recovery pricing unacceptable in today's crisis conditions, says AEA

The Association of European Airlines, representing Europe's most important network carriers, has reacted strongly to the decision of PANSAs, the Polish air navigation service provider, to raise its fees next year by 32% for flights across Polish airspace and by 62% for operations into and out of Polish airports, to compensate for the loss in traffic due to the economic crisis.

*"If ever an illustration of monopoly at work were needed, this is it", said AEA Secretary General Ulrich Schulte-Strathaus. "While the airlines suffer the most extreme business conditions they have ever known, some sectors of the industry consider themselves immune to the realities of the crisis. While we struggle to keep our costs down in the face of vastly reduced revenues, our suppliers make our situation worse by putting their prices up. We can't turn to anyone else to guide us through Polish airspace; we either pay what they demand, or don't fly".*

PANSAs were not alone in adopting such pricing policies, admitted Mr Schulte-Strathaus. Other navigation service providers, and some major airports, had equally sought to squeeze more revenues out of their airline customers to compensate for weaker business volumes. *"Cost-recovery pricing has no place in today's business world", he said. "In good times it invites extravagance and inefficiency, in bad times it is a punishing burden on the end-users".*

Polish airspace covers an area of more than 300,000 km<sup>2</sup>, and occupies a key position, straddling both North-South and East-West traffic flows. *"Will airlines fly longer routes to avoid these charges?" asked Ulrich Schulte-Strathaus; "for some, it will make economic sense to do so, but at what cost to the environment? This behaviour shows how badly we need a Single European Sky".*

From 2012, he said, the Single Sky project would replace monopoly pricing with a system based on cost-efficiency and performance targets, and he noted that the PANSAs cost rise ignored a letter sent by European Commission Vice-President Antonio Tajani to ATM service providers, urging them not to raise charges. *"The navigation service providers know that change is coming and the more enlightened ones are already starting to think along commercial and customer-oriented lines. It is unfortunate that others, such as PANSAs, cling to outmoded and discredited practices".*

For further information, please contact:

David Henderson  
Manager Information  
Phone : +32(0) 2 639 89 72  
Email: david.henderson@aea.be  
www.aea.be